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Attorney for Questar Gas Company

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

)	PETITION FOR A
)	RULE CHANGE
In the Matter of Questar Gas Company's)	
Petition for a Rule Change)	
)	Docket No. _____
)	
)	

Questar Gas Company ("Questar Gas"), by and through counsel, hereby submits this Petition for a Rule Change ("Petition") to the Public Service Commission of Utah ("Commission"), pursuant to Utah Code Ann. § 63G-3-601, Utah Admin. R15-2-1 *et seq.*, and R746-100-1. Questar Gas, also, respectfully requests that the Commission initiate a rulemaking proceeding to consider a rule change to R746-320-9 of the Utah Administrative Code as proposed in this Petition.

Pursuant to Utah Code Ann. R15-2-4, Questar Gas states as follows:

INTERESTED PARTY AND JURISDICTION

1. The petitioner for this proposed rule change is Questar Gas Company. Questar Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by

the Commission, and the applicable present rates, charges, and general conditions for natural gas service in Utah are set forth in the Questar Gas Company Utah Natural Gas Tariff PSCU No. 400 (“Tariff”).

2. Questar Gas is an interested party to the proposed rule change as a public utility, within the meaning of Utah Code Ann. § 54-2-1, providing natural gas service and subject to regulation by the Commission under Utah Code Ann. R746-320-1 *et seq.*, titled “Uniform Rules Governing Natural Gas Service.”

3. The Commission has jurisdiction to promulgate such a rule change under the authority granted by Utah Code Ann. §§ 54-4-1 and 54-4-18.

REASONING FOR PROPOSED RULE CHANGE

4. A crossed meter condition generally occurs when a person installing interior gas piping in a building equipped with individual gas meters serving separate tenants connects the piping from one tenant’s property to the meter designated for a second tenant’s property, and simultaneously the second tenant’s natural gas pipes are connected to the meter designated for the first tenant’s property. In these situations, the customer’s piping is installed on the property between the natural gas appliances and the utility custody transfer point by an independent party outside the reasonable control of the public utility.

5. New gas meters are installed and assigned to the correlating service address based on internal gas piping information provided to the public utility in the form of a tag placed on the external fuel line. A crossed meter condition arises generally when a multi-dwelling’s fuel lines are not tagged correctly by an independent third party outside the reasonable control of the public utility. In these situations, the two or more customers affected will each be billed based upon another party’s actual gas consumption.

6. Upon determination of a crossed meter condition, Questar Gas corrects the billing errors of the corresponding customer accounts affected by the crossed meter condition in accordance with the Commission rules under Utah Code Ann. R746-320-8 and R746-320-9.

7. Utah Code Ann. R746-320-8(D)(1) provides that Questar Gas may backbill a customer that underpaid its utility bill for a period not to exceed 24 months prior to when “the utility actually became aware of the . . . condition that caused the underbilling.” However, the rule then specifically limits the backbill of a crossed meter condition, stating “In the case of a crossed meter condition, the period covered by the backbill may not exceed six months.” Therefore, underpayment by the customer for any cause other than a crossed meter condition results in a backbill of up to 24 months, but a crossed meter condition may not exceed six months.

8. Under Utah Code Ann. R746-320-9(A)(4), Questar Gas is required to refund the amounts collected as overbilling to the customer that suffered the detriment of the crossed meter condition.

9. Utah Code Ann. R746-320-9(C) provides a 24 month limitation period for the refunded billing adjustment. However, Utah Code Ann. R746-320-9(C)(4) grants an exception to this limit stating,

An exception to the 24 month limitation period applies when the overbilling can be shown to be due to some cause, the date of which can be fixed. In this instance the overcharge shall be computed back to that date and the entire overcharge shall be refunded.

10. The crossed meter condition provides a cause whereby the condition which led to the overbilling commenced upon a certain date and, in many cases, is known or reasonably can be determined. Consequently, under the existing rules, an overpaying customer would be

entitled to a refund for the entire period between the commencement of the condition and the date of discovery, regardless of the length of time.

11. As a result, to reconcile the customer accounts affected by a crossed meter condition, Questar Gas may backbill the underpaying customer for up to six months prior to the date of discovery of the crossed meters. Then, Questar Gas must determine the date on which the crossed meter condition is shown to have commenced and refund the overpaying customer back to that date, which time period may extend over the entire length of service.

12. The time frame disparity between the backbilling and overbilling can create situations where the customer is unfairly prevented from receiving a refund and the natural gas utility is unable to fully comply with the rules. Specifically, when the time periods for the calculation are the same, one customer is due a refund and the other receives a backbill, in equal amounts; however, a customer who would be due a refund at 6 months prior may instead have been underbilled when the period is extended back to the date of commencement.

13. When the crossed meter condition occurred more than six months prior to discovery, the difference in periods for backbilling and refunds often requires Questar Gas to bear costs arising from circumstances outside of the utility's reasonable control and prevention. In such conditions, the refunds generally exceed, and in some cases far exceed, the amount for which the utility may backbill. The Commission rules governing billing by electric utilities do not have similar limitations regarding backbilling and refunds, but instead require the utility to backbill and refund for equal periods, with no extension beyond 24 months required. *See Utah Admin. Code R746-310-8.D.1, -9.C.4.*

14. In 2011, Questar Gas discovered 221 crossed meter conditions, for which Questar Gas backbilled customers for \$18,319.52 and refunded \$22,847.44 under the existing rules. If

the rules were modified to require identical 6-month limitations for backbilling and refunds, which is consistent with Questar Gas' current tariff, natural gas utilities would be able to comply with the rules without the complications that arise from disparate time periods, and the backbilled and refunded amounts would be identical so that the utility would no longer have to unfairly bear costs it did not create and cannot prevent.

15. For the reasons set forth above, Questar Gas respectfully proposes that the Commission modify the rule regarding overbilling by natural gas utilities. The approximate wording for the proposed rule change is attached hereto as Exhibit 1.

INTERESTED PARTY CONTACT INFORMATION

16. The Petitioner's contact information is as follows:

Questar Gas Company
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RESPECTFULLY SUBMITTED, this 14th day of September, 2012.

By: _____

Arminda I. Jurgenson
Questar Gas Company
Attorney for Questar Gas Company

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of September, 2012, I caused to be e-mailed a true and correct copy of the foregoing Petition for a Rule Change to the following:

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